(b) how much agricultural loan was disbursed in rural areas and what per cent it was of the total out of above total loan;

(c) whether guidelines issued by the Reserve Bank of India were followed; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government has enhanced rural credit during the last three years. Further, the credit flow to agriculture has doubled in two years since 2003-04. The total agriculture advances by the public sector banks as on last Friday of September, 2006 stood at Rs. 1,74,866.16 crore forming 15.54 per cent of Net Bank Credit while that by the private sector banks at Rs. 32,178.35 crore forming 11.58 per cent of Net Bank Credit.

(c) and (d) Reserve Bank of India policy stipulate a target of 40% of Adjusted Net Bank Credit or credit equivalent amount of off balance sheet exposure of the bank outstanding as on March 31 of the previous year for lending to priority sector by scheduled commercial banks. Within this overall target, a sub-target of 18% has been prescribed for agricultural purposes.

The banks that are unable to fulfil their commitment towards agriculture lending or priority sector lending are required to contribute a stipulated amount of Rural Infrastructure Development Fund (RIDF) maintained with NABARD for development of rural infrastructure through State Governments, the quantum of which depends on the corpus announced by Government of India each year. In order to disincentivise banks for not fulfilling their stipulated target, the rate of interest on RIDF deposits is kept inversely proportional to the shortfall in target, greater the shortfall, lower the interest.

Evasion of income tax by educational institutions

4354. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether private educational institutions not approved/registered by UGC/AICTE are evading income tax and service-tax;

(b) if so, what are the details of income tax and service tax paid by Indian Institute of Planning and Management (IIPM), Qutub Institutional Area, New Delhi and its other associated companies during last two years;

(c) whether Government are aware that IIPM has issued full page coloured advertisements in all leading newspapers of the country during the last one year worth crores of rupees; and

(d) if so, what is the total expenditure incurred by IIPM on advertisements during the last two years and what is the source of funding on advertising?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) During the course of enquiries carried out by the Income Tax Department, instances of tax evasion by private educational institutions, running various courses, some of which are not recognized by the UGC/AICTE, have come to notice. So far as service tax is concerned, proceedings have been initiated against some of the institutes for evasion of service tax on services provided by them in relation to commercial training or coaching.

The Indian Institute of Planning and Management (IIPM), New Delhi has not paid income tax in the last two Assessment years, i.e. A.Y. 2005-06 and A.Y. 2006-07 as the income was claimed as exempt under section 10(23C) (vi) of the Income-Tax Act, 1961. Service tax paid by IIPM, New Delhi and its other associated companies, during last two years, is nil.

(c) and (d) Yes, Sir. IIPM has incurred an expenditure of Rs. 17,28,27,370/- and Rs. 31,62,69,231/- on advertisement for the financial year 2004-05 and 2005-06 respectively. The source of funding of such advertisement is out of various receipts from activities carried out by IIPM as reflected in the Income and Expenditure statements.

Growing inflation

4355. SHRIMATI HEMA MALINI: Will the Minister of FINANCE be pleased to state:

(a) the rate of growth and rate of inflation during 1991-2006, year-wise;